



Testimony of Eric W. Gjede
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Before the Committee on Government Administration & Elections
March 14, 2016

**Testifying in opposition to SB 439:
AN ACT CONCERNING THE STATE CONTRACTING STANDARDS BOARD AND REQUIREMENTS FOR
PRIVATIZATION CONTRACTS**

Good afternoon Senator Cassano, Representative Jutila, Senator McLachlan, Representative Smith, and members of the Government Administration & Election Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA), which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA has concerns that SB 439 places unreasonable burdens on the privatization of contracts. Given the state's current fiscal condition, there will be an increased need to turn to the private sector for the delivery of goods and services, and we should be removing barriers in the way of privatization rather than adding them.

Section 5 of the bill requires a state agency prepare a business case for the privatization of contracts that are valued at more than \$1 million dollars.

Section 6 requires a state agency to notify a union of their intent to enter into a privatization contract, as well as meet with them and discuss the contract. Further, the agency would also need to seek the formal approval of the Attorney General before entering into the contract.

These new requirements are unnecessary burdens to the privatization of state contracts. Simply put, the state can no longer afford to be everything to everybody. As the Governor has wisely noted, our state government must limit itself to providing core services. This will necessitate many of our services and procurements be privatized in order to maximize the revenues we collect.

CBIA encourages you to ease this process by taking no action on this bill.